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Bureau of
Market Investigations



OFFICE OF INSURANCE REGULATION

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MAR 22 2004

OFFICE OF
INSURANCE REGULATION
Docketed by: SP

KEVIN M. MCCARTY
DIRECTOR

IN THE MATTER OF:

CASE NO.: 69999-03-CO

**UNIVERSAL PROPERTY AND CASUALTY
INSURANCE COMPANY**

2002 Property and Casualty Market Conduct Examination

CONSENT ORDER

THIS CAUSE came on for consideration as the result of an agreement between **UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY**, (hereinafter referred to as "UNIVERSAL") and the **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as "OFFICE"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the **OFFICE** hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of, and parties to, this proceeding.
2. **UNIVERSAL** is a domestic property and casualty insurer authorized to transact insurance business in Florida and is subject to the jurisdiction and regulation of the **OFFICE** pursuant to the Florida Insurance Code.
3. The **OFFICE** conducted a property and casualty market conduct examination of **UNIVERSAL**, pursuant to section 624.3161, Florida Statutes, in 2002, and as a result, it has been determined that **UNIVERSAL** has violated the following provisions of the Florida Insurance Code and/or the Florida Administrative Code, to wit:

Homeowners

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule or Rating Rule: Incorrect Territories.

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule or Rating Rule: Incorrect BCEGS Codes.

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule or Rating Rule: Incorrect Protection Classes.

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule, Rating Rule: Inappropriate Surcharge.

Cancellations

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule or Rating Rule: Incorrect Return Premium Calculation.

Rule 4-167.001, F.A.C., Failure to Audit and/or Return Premium Timely: Late Return of Premium.

Section 627.4133, F.S., Failure to Provide Notice of Renewal, Nonrenewal or Cancellation.

Complaints

Rule 4-167.001, F.A.C., Failure to Audit and /or Return Premium Timely.

Section 626.877, F.S., Failure to Properly Adjust Claim per Policy Requirements: Incorrect Deductible.

Section 626.877, F.S., Failure to Properly Adjust Claim per Policy Requirements: ALE Not Paid.

Section 627.4091, F.S., Failure to Provide Specific Reason for Denial, Cancellation or Nonrenewal.

Section 627.062, F.S., Failure to Follow Filed Rate, Rating Schedule or Rating Rule: Inappropriate Termination.

Claims

Section 626.112, F.S., Use of Unlicensed/Unappointed Agent/Adjuster.

Section 626.877, F.S., Failure to Properly Adjust Claim per Policy Requirements.

4. The **OFFICE** and **UNIVERSAL** expressly waive a hearing in this matter, the making of Findings of Fact and Conclusions of Law by the **OFFICE**, and all further and other proceedings herein to which the parties may be entitled by law. **UNIVERSAL** hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

5. **UNIVERSAL** agrees that upon the execution of this Consent Order it shall be subject to the following terms and conditions:

(a) **UNIVERSAL** shall pay a administrative penalty of \$45,000 and costs of \$2,500 on or before the 30th day after this Consent Order is executed.

(b) **UNIVERSAL** shall henceforth comply with all of the provisions of the Florida Insurance Code and the Florida Administrative Code.

(c) **UNIVERSAL** is hereby placed on notice of the requirements of the above referenced sections of law and agrees that any future violations of these sections by **UNIVERSAL** may be deemed willful, subjecting **UNIVERSAL** to appropriate penalties.

(d) **UNIVERSAL** shall rerate all homeowners policies issued since January 1, 2002, to verify that the proper territory was used and provide to the **OFFICE**, no later than thirty (30) days from receipt of this Consent Order, documentation which confirms that corrective action has been taken. **UNIVERSAL** has returned approximately \$427,000. Additionally, an estimate of \$220,000 is also to be returned.

(e) **UNIVERSAL** shall process all outstanding return premium refunds that were overdue more than fifteen (15) working days as of June 30, 2002, and provide to the

OFFICE documentation, which confirms that corrective action has been taken no later than thirty (30) days from receipt of this Consent Order.

(f) **UNIVERSAL** shall discontinue the practice of allowing clerical staff to sign the recoverable depreciation letter that is sent to claimants, and provide to the **OFFICE** documentation which confirms that corrective action has been taken no later than (30) days from receipt of this Consent Order.

6. **UNIVERSAL** agrees that the failure to adhere to one or more of the above terms and conditions of this Consent Order shall constitute a violation of a lawful order of the **OFFICE**, and shall subject **UNIVERSAL** to such administrative action as the **OFFICE** may deem appropriate.

7. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

8. **THEREFORE**, the agreement between **UNIVERSAL** and the **OFFICE**, the terms and conditions of which are set forth above, is approved.

FURTHER, all terms and conditions above are hereby **ORDERED**.

DONE AND ORDERED this 22ND day of MARCH, 2004.



~~KEVIN M. McCARTY~~

KEVIN M. McCARTY, DIRECTOR
OFFICE OF INSURANCE REGULATION

By execution hereof, **UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY** consents to entry of this Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind **UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY** to the terms and conditions of this Consent Order.

**UNIVERSAL PROPERTY AND CASUALTY
INSURANCE COMPANY**

Corporate Seal

By: Bradley I. Meier

Title: President

Date: 3/10/04

On March 10, 2004 before me, Janet Conde, personally appeared BRADLEY I. MEIER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon whose behalf the person acted, executed the instrument.

Subscribed and sworn to before me this 10th day of March, 2004.

Signature _____
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires: June 26, 2007



Janet Conde
My Commission DD226714
Expires June 26, 2007

COPIES FURNISHED TO:

MR. BRADLEY I. MEIER, PRESIDENT
Universal Property and Casualty Insurance Company
2875 NE 191st Street
Miami, Florida 33180

JOE FINNEGAN, BUREAU CHIEF
Office of Insurance Regulation
Bureau of Market Conduct
200 East Gaines Street
Tallahassee, FL 32399-4210

JOANNA MUELLER
Field Insurance Regional Administrator
Office of Insurance Regulation
Bureau of Market Conduct
200 East Gaines Street
Tallahassee, FL 32399-4210

CARL B. MORSTADT III
Assistant General Counsel
Office of Insurance Regulation
Legal Services Office
200 East Gaines Street
645A-7 Larson Building
Tallahassee, FL 32399-4206